

## S U B L E A S E

This Sublease is made and entered into effective this 22 day of February, 2000, by and between the **CITY OF GLOBE**, an Arizona municipal corporation, hereinafter referred to as "Sublessor" and the **GLOBE DOWNTOWN ASSOCIATION**, an Arizona non-profit corporation, hereinafter referred to as "Sublessee".

### R E C I T A L S:

Sublessor currently is the Lessor pursuant to a Intergovernmental Lease Agreement ("Lease") with Gila County, Arizona, dated the 1st day of August, 1994, and amended effective February 1, 2000. ("Lease" herein), a copy of which is attached hereto and by reference made a part hereof as Attachment "A". The property which is the subject of said Lease is the Old Gila County Jail. Sublessee desires to utilize said premises to further its goal/mission of facilitating aesthetic and economic development and improvement within the downtown area of the City of Globe.

NOW, THEREFORE, for and in consideration of the mutual covenants and agreements contained herein, the parties agree as follows:

1. Sublessee hereby subleases from Sublessor the premises known as the Old Gila County Jail. Sublessor agrees to utilize the premises solely for the purpose of aesthetic and economic development of the downtown area of the City of Globe and/or to provide support for downtown businesses in accordance with Attachment "B".

2. The consideration for sublease of the premises shall be the continued obligation of Sublessee to provide the support for downtown businesses as described in paragraph 1 herein, together with the payment of all costs incurred in conducting said activities, including all utility expense.

3. The term of this Sublease shall be for a period of one (1) year from the date hereof and shall continue automatically for an additional one (1) year term unless either side shall give written notice of termination thirty (30) days prior to the end of said initial term.

4. During the term of this Sublease, Sublessee agrees to comply in full with all obligations of the City of Globe under the lease with Gila County. Sublessee acknowledges receipt of a copy of said lease, the full terms and conditions of which are incorporated herein by this reference, including, but not limited to, paragraphs 5.3(a) and (b) regarding alterations to the premises.

5. During the term of this Sublease, Sublessee shall pay all utilities, maintenance, upkeep, and any, and all, other expenses associated with the operation of Sublessee's organization.

6. Sublessee shall hold Sublessor harmless from any, and all, obligations under the lease with Gila County, except the City's obligation to maintain the exterior of said premises and shall pay and hold the City of Globe harmless from any, and all, obligations incurred in Sublessee's business operations. Sublessee shall further conduct its operation in compliance with all applicable rules and regulations

7. Liability Insurance. Sublessee shall provide, maintain and pay the cost of liability insurance insuring Sublessor and Sublessee against any, and all, claims which may be established or made against Sublessor or Sublessee for property damage and for damages which may result from the death of, or injury to, any person or persons who may be near, in or upon the premises during the term of this lease. Said insurance shall be in the minimum amount of One Hundred Thousand and 00/100s (\$100,000.00) Dollars for property damage and in the amount of at least One Million and 00/100s (\$1,000,000.00) Dollars.

All insurance provided for herein shall be covered by policies of insurance of responsible companies duly authorized to transact business in the State of Arizona.

All policies of insurance provided for herein shall list the Sublessor as coinsured and original policies therefor shall be delivered to the Sublessor, together with receipted bills showing payment of premiums.

8. Sublessee has inspected the premises and has accepted the premises "as is". Sublessor has made no representations or promises to modify the Property in any manner whatsoever.

9. Whenever any notice or demand is required or permitted hereunder, such notice or demand must be in writing. Any notice, demand, payment, or document required or permitted to be delivered hereunder shall be deemed to be delivered, whether actually received or not, on the fifth (5th) business day after it is deposited in the United States mail, postage prepaid, addressed to the following:

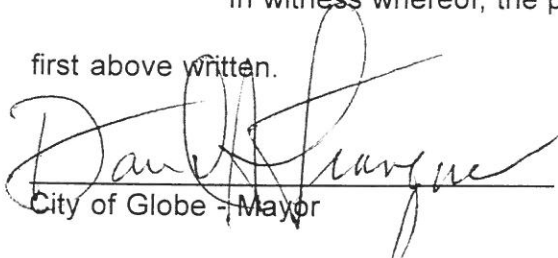
Sublessor -

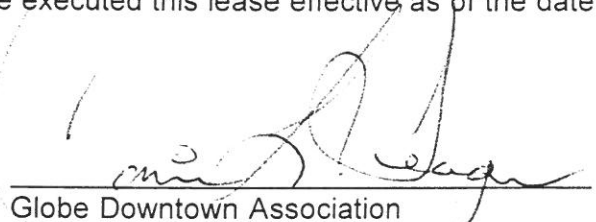
City of Globe  
150 North Pine Street  
Globe, Arizona 85501

Sublessee -

Globe Downtown Association  
P. O. Box 662  
Globe, Arizona 85502

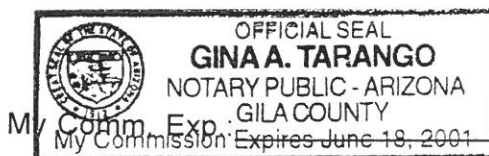
In witness whereof, the parties have executed this lease effective as of the date first above written.

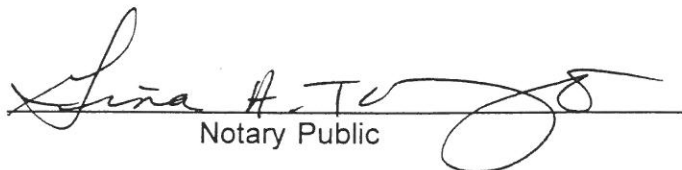
  
City of Globe - Mayor

  
Globe Downtown Association

**SUBSCRIBED AND SWORN TO** before me this 22 day of FEBRUARY, 2000,

by David A. Franquero.

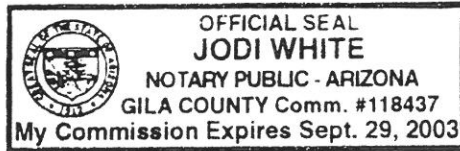


  
Notary Public

SUBSCRIBED AND SWORN TO before me this 25<sup>th</sup> day of Feb, 2000,  
by Connie Teague.

Jodi White  
Notary Public

My Comm. Exp.: September 29, 2003



## INTERGOVERNMENTAL LEASE AGREEMENT

THIS INTERGOVERNMENTAL LEASE AGREEMENT is made and entered into effective the 1st day of August, 1994, by and between GILA COUNTY, an Arizona political entity, hereinafter referred to as Lessor, and the CITY OF GLOBE, an Arizona municipal corporation, hereinafter referred to as Lessee. As used herein, the term Lessee shall also include all of Lessee's employees, agents, assigns or successors or anyone claiming under them or acting in their behalf.

Lessor, for and in consideration of the agreements and covenants of Lessee contained herein, does hereby lease to Lessee and the Lessee leases from Lessor the following described property:

See Exhibit "A" attached hereto and by reference made a part hereof, which is identified as the Old Gila County Jail and the impound lot located behind the Old Gila County Jail.

### ARTICLE ONE

This lease is for the term of ten (10) years, commencing with the 1st day of August, 1994, and ending the 31st day of July, 2004, unless sooner terminated as hereinafter provided.

### ARTICLE TWO

2.1 Rent. The rental payment for said premises shall be One (\$1.00) Dollar per year, payable on or before the 1st day of August of each year, together with all obligations for taxes, maintenance and upkeep as provided herein.

### ARTICLE THREE

3.1 Use. This lease agreement is entered into in accordance with A.R.S. § 11-951 et seq., since both parties have authority to operate museums and related activities. Therefore, Lessee shall use and occupy the property in compliance with all applicable rules and

regulations as a museum and related activities.

3.2 Compliance with laws. Lessee agrees to conform activities conducted on premises to laws relating thereto and to all requirements of any properly constituted public tribunal or officer, federal, state and municipal, and to reasonable directions and requirements of insurance companies carrying insurance on premises or property thereon or therein.

3.3 Sublease. Lessee may sublet the impound lot for use by the Center for the Arts or other related activity.

#### ARTICLE FOUR

4.1 Acceptance. Lessee has examined the premises prior to and as a condition precedent to his acceptance and the execution hereof, and is satisfied with the physical condition thereof, and his taking possession thereof shall be conclusive evidence of his receipt of same in good order and repair, except as otherwise specified herein. Lessee agrees and admits that no representations as to the condition or repair thereof has been made by Lessor or his agent, which is not herein expressed or endorsed herein and likewise agrees and admits that no agreement or promise to decorate, alter, repair or improve the premises, either before or after the execution hereof, not contained herein has been made by Lessor or his agent.

#### ARTICLE FIVE

5.1 Maintenance - Lessor. Lessor shall have no obligation to maintain the premises or the structure. All responsibility for maintenance and upkeep shall be that of the Lessee. Lessor shall not be liable to Lessee, his assigns or successors, for any damage to personal property placed or maintained on the premises by Lessee, his employees, agents or assigns for failure of Lessor to make the repairs herein required.

5.2 Maintenance - Lessee. Lessee shall keep the premises and the interior walls, ceilings, floors, woodwork, paint, plastering, plumbing, pipes, and fixtures in a clean, sightly,

and healthy condition, and in good repair, all at his own expense. Lessee shall yield the same back to Lessor upon the termination of the lease, whether such termination shall occur by expiration of the term or in any other manner whatsoever, in the same condition of cleanliness, repair and sightliness as at the date of the execution hereof, loss by fire and reasonable wear and tear excepted. Lessee shall make all necessary repairs and renewals to interior walls, ceilings, floors, woodwork, paint, plastering, plumbing, pipes and fixtures in or on the premises whenever damage or injury to the same shall have resulted from misuse or neglect, or any cause other than Lessor's acts. If Lessee fails to comply with the provisions of this paragraph, Lessor may enter the premises, himself or by his agents, servants or employees, without such entering causing or constituting a termination of this lease or an interference with the possession of the premises by Lessee, and Lessor may replace the same in the same condition of repair, sightliness, healthiness and cleanliness as existed at the date of execution hereof, and Lessee agrees to pay Lessor, in addition to the rent hereby reserved, the expenses incurred by Lessor.

5.3 (a) Alterations - Lessee. Should Lessee desire to make changes or alterations to the premises, Lessee shall submit a written plan for such alterations to Lessor. If Lessor has not notified Lessee of the disapproval of said changes within fifteen (15) days from receipt of the proposed plan, Lessee may proceed as if consent has been given. All alterations, changes and improvements shall be made at Lessee's expense and subject to Lessor's interest and rights on termination of this lease.

(b) Condition for Alterations. Lessee further agrees that Lessee will pay all liens of contractors, subcontractors, mechanics, laborers, materialmen, and other items of like character and will indemnify Lessor against all legal costs and charges, bond premiums for release of liens, including counsel fees reasonably incurred for the defense or prosecution of

any suit in discharging the said premises or any part thereof from any liens, judgments or encumbrances caused or suffered by Lessee. It is understood and agreed between the parties hereto that the costs and charges above referred to shall be considered as rent due and shall be included in any lien for rent.

The Lessee shall not have any authority to create any liens for labor or material on the Lessor's interest in the above described property, and all persons contracting with the Lessee for the destruction or removal of any building, for the erection, installation, alteration, or repair of any building or other improvements on the above described premises, and all materialmen, contractors, mechanics, and laborers, are hereby charged with notice that they must look to the Lessee, and to the Lessee's interests only in the above described property, to secure the payment of any bill for work done or material furnished during the rental period created by this lease.

(c) Rights on Termination. Upon the termination of this lease, all changes, alterations, additions, repairs or improvements to or on the building and premises shall become the property of Lessor without liability on his part to pay for same.

5.4. Utility Expense. Lessee shall pay all costs and expenses incurred during the term of the lease as a result of his occupancy of the premises including, but not limited to, all expenses incurred for utility services including, but not limited to, all expenses incurred for utility service including, but not limited to, water, gas, electricity, telephone, sewage, and garbage in and to the property which is the subject of this lease.

## ARTICLE SIX

6.1 Indemnification. Lessee shall hold Lessor harmless and indemnify Lessor from and against all claims for any bodily injury, loss or damage to any person or property arising out of or occasioned by the use or occupancy of the property by Lessee and from and against



all bodily injury, loss, claim, or damage to any person or property anywhere occasioned by any act or omission of Lessee. In case Lessor shall, without fault on Lessor's part, be made a party to any litigation commenced by or against the Lessee for any of the above reasons, then Lessee shall protect and hold Lessor harmless and pay all costs, penalties, charges, damages, expenses, and reasonable attorney's fees incurred or paid by the Lessor. As used herein, the term "person" means any person, firm, corporation, association, partnership, trust, joint venture, or other entity.

#### ARTICLE SEVEN

7.1 Liability Insurance. Lessee shall provide, maintain and pay the cost of liability insurance insuring Lessor and Lessee, against any and all claims which may be established or made against Lessor or Lessee for property damage and for damages which may result from the death of or injury to any person or persons who may be near, in or upon the premises during the term of this lease, said insurance shall be in the minimum amount of One Hundred Thousand (\$100,000.00) Dollars for property damage and in the amount of at least Three Hundred Thousand (\$300,000.00) Dollars for the death of or injury to one person and in the amount of at least Five Hundred Thousand (\$500,000.00) Dollars for the death of or injury of two or more persons.

All insurance provided for herein shall be covered by policies of insurance of responsible companies duly authorized to transact business in the State of Arizona.

All policies of insurance provided for herein shall list the Lessor as coinsured and original policies therefor shall be delivered to the Lessor, together with receipted bills showing payment of premiums.

7.2 Casualty Insurance. All personal property in or upon the premises shall be held on same at the sole risk of the Lessee and Lessor shall not be liable for any damages to said

personal property, to said premises, or to Lessee or other persons, arising from the building or any part of an appurtenance thereto becoming out of repair, or from the bursting, leaking or overflowing of water, gas, sewer or steam pipes, or from any sprinkler system in said building or any plumbing connected therewith, or from any damage caused by defective electric wiring, or from any acts or neglect of cotenants or other occupants of the building or other person, or from theft, or due to the happening of any accident in or to said building. Lessee shall have the responsibility to insure against such losses.

**7.3 Casualty Insurance Proceeds.** Lessee shall provide insurance to protect the property from loss by fire or other peril with Lessor as an additional named insured in the minimum amount of One Hundred Fifty Thousand (\$150,000.00) Dollars.

**7.4 Loss Occasioned by Lessee.** Lessee shall, in case of fire, or loss or damage from other causes, give immediate notice thereof to Lessor. In the event of damage by fire or other causes due to or resulting from the fault or negligence of Lessee or Lessee's agents, employees, invitees or visitors, the same shall be repaired by and at the expense of lessee under the direction and supervision of Lessor.

**7.5 Insurance Proceeds.** Should Lessor have insurance coverage in force for any casualty loss that may occur on the premises, said coverage, proceeds and benefits are for the sole protection, right and use of Lessor. The Lessee agrees to provide and maintain insurance for protection of or against any loss that he might incur as a result of his occupancy of the premises.

## **ARTICLE EIGHT**

**8.1 Assignment Precluded.** This lease is made and accepted on condition that in case Lessee should assign this lease, or underlet the premises, or any part thereof, without the written consent of Lessor, Lessor, his heirs or assigns, at his option, shall have the right of terminating this lease immediately, and be entitled to immediate possession of premises, and to take summary proceedings against Lessee, or any person or persons in possession as

tenant, having had due and legal notice to quit and surrender premises, holding over their term. In case of such assignment, letting or subletting without consent of lessor, lessor may, after a reasonable notice, prevent the ingress to the premises of persons claiming under such assignment, letting or subletting, and may, for the purpose of such prevention, use, without liability, all necessary force.

#### ARTICLE NINE

9.1 Property Taxes. Both parties being governmental entities, no property taxes shall be due.

9.2 Other Taxes. Lessee agrees to pay, when due, all taxes or assessments that may be placed on the demised premises as a result of the activity of Lessee during the term of this lease, including, but not limited to, sales and privilege taxes. Evidence of payment of same shall be provided Lessor upon request.

#### ARTICLE TEN

10.1 Abandonment. In case Lessee shall abandon or be removed from the premises before the end of the term, Lessor, immediately or at any time afterwards, without notice and without waiving or postponing any right against Lessee, may relet the premises or any part thereof on such terms as he shall deem best, and apply the proceeds from time to time, less expense, including the cost of repairs and collection, on such rent, work, materials, service and interest, or judgment therefor, and hold Lessee for balance unpaid on account therefor. In such case, Lessee shall forfeit all claim for prepaid rent or possession.

#### ARTICLE ELEVEN

11.1 Default. "Default", as that term is used herein, means the occurrence of any one or more of the following events:

- (a) failure of Lessee to pay when due any installment of rent provided in the Lease, within thirty (30) days notice of default, or
- (b) the failure by Lessee to comply with any term, covenant, or

provision in the Lease, other than the covenants to pay rent, and the failure of Lessee, within thirty (30) days after Lessor has notified Lessee of such failure, to commence to cure such failure and thereafter to proceed diligently to cure such failure within a reasonable period of time.

**11.2 Remedies After Default.** Upon the occurrence of a Default (including the passage of time specified therefor without cure), Lessor shall have the option to pursue any one or more of the following remedies without any further notice or demand whatsoever and shall have the right to pursue any other remedies at law or in equity, the following remedies being non-exclusive:

(a) terminate the Lease, in which event Lessee shall immediately surrender the property to Lessor and, if Lessee fails to do so, Lessor may, without prejudice to any other remedy which Lessor may have hereunder for possession or arrearages in rent, enter upon and take possession of the premises and expel or remove Lessee and any other person who may be occupying the property, or any part thereof, and Lessee agrees to pay to Lessor on demand the amount of all loss and damages which Lessor may suffer by reason of such termination, whether through inability to relet the premises on satisfactory terms or otherwise;

(b) enter upon and take possession of the premises and expel or remove Lessee and any other person who may be occupying the premises, or any part thereof, by force, if necessary, without being liable for prosecution of any claim for damages therefor, and Lessee agrees to pay to Lessor on demand any deficiency that may arise by reason of such reletting; or

(c) enter upon the premises by force, if necessary, without being liable for prosecution for any claim for damages therefor, do whatever Lessee is obligated to do under the terms of the lease, and obtain reimbursement from Lessee for any expenses which Lessor may incur in thus effecting compliance with Lessee's obligations under the lease.

## **ARTICLE TWELVE**

**12.1 Holding Over.** In the event Lessee remains in possession of the premises or any part thereof after the expiration of the lease without execution of a new lease agreement, Lessee shall be deemed to be occupying the premises as a tenant from month-to-month at a rental equal to the rental herein provided and otherwise subject to all the terms, covenants,

and provisions of the lease insofar as the same are applicable to a month-to-month tenancy.

### ARTICLE THIRTEEN

**13.1 Notices.** Whenever any notice or demand is required or permitted hereunder, such notice or demand must be in writing. Any notice, demand, payment, or document required or permitted to be delivered hereunder shall be deemed to be delivered whether actually received or not on the fifth (5th) business day after it is deposited in the United States mail, postage prepaid, addressed to the following:

Lessor:

Clerk, Gila County Board  
of Supervisors  
1400 East Ash Street  
Globe, Arizona 85501

Lessee:

City Manager  
City of Globe  
150 North Pine Street  
Globe, Arizona 85501

Any party or person entitled to receive notices, demands, payments, and documents hereunder may change, at any time and from time to time by written notice, the address heretofore specified for receiving the same.

**13.2 Number or Gender of Words.** Whenever herein the singular number is used, the same shall include the plural where appropriate, and words of any gender shall include each other gender where appropriate.

**13.3 Captions.** The captions, headings and arrangements used in the lease are for convenience only and do not in any way affect, limit, or amplify the terms and provisions hereof.

**13.4 Waivers and Consents.** One or more waivers of any covenant, term, or provision of the lease by any party shall not be construed as a waiver of a subsequent breach of the same covenant, term, or provision, nor shall it be considered a waiver of any other then existing or subsequent breach of a different covenant, term, or provision. The consent or approval by either party to or of any act by the other party requiring such consent or approval

shall not be deemed to waive or render unnecessary consent to or approval of any subsequent similar act.

**13.5 Entirety of Agreement; Amendments.** This lease contains the entire agreement between the parties, and no agreement shall be effective to change, modify, or terminate this lease in whole or in part unless such agreement is in writing and duly signed by the party against whom enforcement of such change, modification, or termination is sought.

**13.6 Invalid Provisions.** If any provision of the lease is held to be illegal, invalid, or unenforceable under present or future laws effective during the term of this lease, the legality, validity, and enforceability of the remaining provisions of this lease, shall not be affected thereby, and in lieu of each such illegal invalid, or unenforceable provision there shall be added automatically as a part of the lease a provision as similar in terms to such illegal, invalid, or unenforceable provision as may be legal, valid, and enforceable.

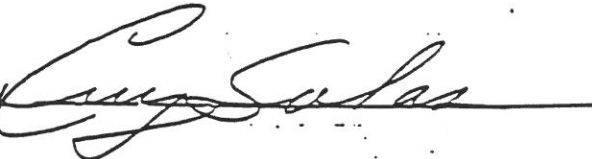
**13.7 Persons Bound by Lease.** Subject to the provisions of Section 8.1 of Article Eight, the lease agreement shall be binding upon and inure to the benefit of lessor and Lessee, their successors, and assigns.

**13.8 Attorney Fees.** Should any proceedings or litigation be commenced between the parties hereto concerning the terms of this Agreement, or the rights and duties of the parties hereto, the prevailing party in such proceedings or litigation shall be entitled, in addition to such other relief as may be granted, to a reasonable sum, as and for the prevailing party's attorneys' fees.

IN WITNESS WHEREOF the parties have executed this lease effective as of the 1st day of August, 1994.

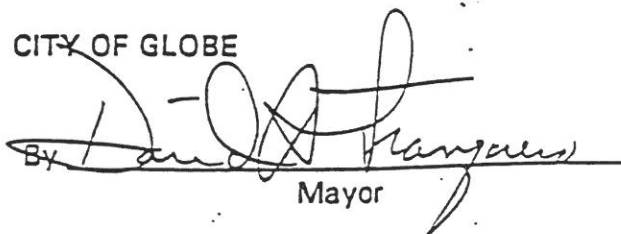
COUNTY OF GILA

By



CITY OF GLOBE

By

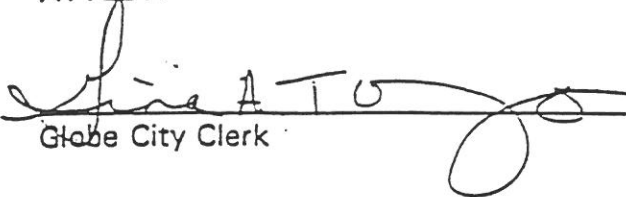
  
Mayor

ATTEST:



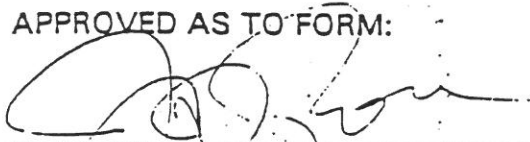
Clerk of the Board of Supervisors

ATTEST:



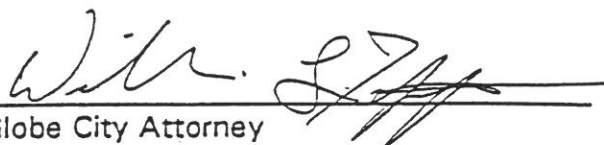
Globe City Clerk

APPROVED AS TO FORM:



Gila County Attorney

APPROVED AS TO FORM:



Globe City Attorney

## EXHIBIT "A"

The property identified as the Old Gila County Jail and impound lot located behind building:

Parcel 208-03-075/8 - Globe Townsite Lot 12 Blk 76



## HISTORIC GLOBE MAIN STREET

P O Box 662  
Globe, AZ 85502  
Phone (520) 425-9340  
Fax (520) 425-6154  
email: ctglobe@gila.net

February 14<sup>th</sup>, 2000

Mr. Manoj Vyas, Manager  
City of Globe  
150 N Pine Street  
Globe, AZ 85501

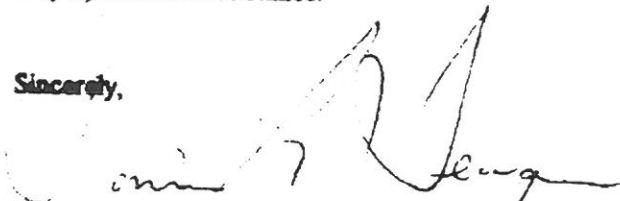
Dear Mr. Vyas,

Per your request, I am providing an outline of the manner in which we would like to utilize the Old Gila County Jail facility. The room immediately to the left as one enters the front of the building would be used as office space. The two rooms immediately to the right would be used for a Gift Shop and for viewing the ADA compliance video. The remainder of the facility would be utilized for public tours and for educational opportunities for our local youth.

We appreciate all the effort the City of Globe has expended to expedite this project and ensure the availability of the facility for our use. We know that the City of Globe and the Main Street Board of Directors agrees that having this facility open to the public will be a great benefit for the entire community.

Please feel free to contact me if you require any further information or if you feel I may be of some assistance.

Sincerely,



Connie L. Teague, Executive Director  
Historic Globe Main Street

CC: Judy Quinn

Attachment B'  
To Sublease